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RUEKJCS/JOINT STAFF WASHDC PRIORITY
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SIPDIS

STATE FOR ISN/CB, VCI/CCA, L/NPV, IO/MPR,
SECDEF FOR OSD/GSA/CN,CP>
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (ROBERTS AND DENYER)
NSC FOR FLY
WINPAC FOR WALTER

E.O. 12958: N/A

TAGS: [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CWC: SCENE-SETTER FOR OPCW EXECUTIVE COUNCIL 54TH
SESSION, OCTOBER 14-17, 2008

REF: A. THE HAGUE 569
[1](#)B. THE HAGUE 755
[1](#)C. THE HAGUE 799
[1](#)D. THE HAGUE 776

This is CWC-044-08

[1](#)1. (U) This is an action request -- see paragraphs 18, 21
and 27.

SUMMARY AND INTRODUCTION

[1](#)2. (SBU) After the success of the last Executive Council (EC) session (ref A), delegations' hopes are high that this EC will continue the refreshingly productive trend. The budget is the biggest item on the agenda, again with a positive model from last year when, for the first time in many years and only the second time in the OPCW's history, the budget was passed by EC-50 before the Conference of States Parties (CSP). This year's draft budget is nearly a carbon copy of last year's budget, and consultations had been free of fireworks until discussions on the Office of Special Projects (OSP) on October 1. The biggest issue is the proposed increase in the number of Other Chemical Production Facility (OCPF) inspections, with China and some Non-Aligned Movement (NAM) countries opposing the increase, while Western Group nations are in favor. Iran, as always, and South Africa, to a lesser extent, are the wild cards in negotiations and could hold up agreement on the budget to bargain for something else.

[1](#)3. (SBU) The report from the EC representatives' visit to the Russian destruction facility at Shchuchye will be distributed late, but there seems to be much less controversy surrounding this visit, and the draft report, than the first visit to the Anniston destruction facility in the U.S. in October 2007. The Shchuchye verification plan and facility agreement are on the agenda; both should be approved unless another delegation takes issue with them. Libya's verification plan and facility agreement for the initial stage of loading chemical weapons for transfer at the Rabta facility will also be on the agenda, but less likely to provoke questions than the passing of the deadline (July 2008) for the conversion of its production

facility.

¶4. (SBU) The first U.S. facility agreement for a Schedule 1 industrial site may face questioning due to being the first of its kind. Other industrial issues that may generate debate are the enhancement of OCPF declarations and biomedical sampling.

¶5. (SBU) The long list of routine reports to the Council on administrative and financial issues should go through without controversy, but some may invite deferral due to late distribution.

¶6. (U) More detailed review of specific agenda items follows.

DESTRUCTION DOCUMENTS

¶7. (U) On CW destruction related documents, the Russian Federation's facility agreement and verification plan for Shchuchye will be considered, as will Libya's facility agreement and verification plan for the reloading of their CW stockpile into new containers prior to movement to the future destruction facility at Rabta (the first phase of Libya's CW destruction operations). Del has heard no comments on either of the two sets of documents, with the exception of an inquiry from the UK delegation, which is Qexception of an inquiry from the UK delegation, which is prepared to accept the Shchuchye documents but wanted to know whether the U.S. had any concerns. Del will canvas other delegations to learn if they have any concerns.

¶8. (SBU) Related to this is the fact that Libya has now passed its deadline for the conversion of its former CW production facility at Rabta. In previous discussions, Legal Adviser Santiago Onate noted that the deadline had not technically been passed, although Libya had clearly indicated it would be unable to complete conversion by July ¶2008. However, the deadline now has passed, and UK colleagues in particular have shared their concerns that delegations wishing to cause trouble could now focus on this. Del has also recently learned that London is inclined to ask for a CSP decision that establishes a new deadline for the Libyans. This is not in keeping with the precedent set by Russian and Indian failure to meet conversion deadlines, and Del will continue to work with the UK and inform Washington of developments in their position. The German delegation also noted its view recently that the conversion deadline should not be allowed to pass without some expression of concern.

¶9. (SBU) It is unclear at this time whether Libya intends to present a new national paper before EC-54. However, the presentation of a paper prior to EC-55 (in February 2009) may be particularly important, given the Technical Secretariat's reluctance to provide a clear justification for the retention of the protective berm at Rabta when they change the designation of the sandbag wall from specialized to standard. Del will also continue to work with the Technical Secretariat (TS), the UK and Italy to clarify what appears to be lingering procedural confusion as to how to handle the retention of the berm; however, Del does not expect this to be raised during EC-54 unless Libya refers to the issue during its presentation at the pre-EC destruction informals.

90-DAY PROGRESS REPORTS

¶10. (SBU) Del also expects the usual Iranian posturing on the U.S. 90-day update on destruction activities, during which Iran likely will refer to "legal difficulties" Tehran has with the fact that the start-up dates of the destruction facilities at Pueblo and Blue Grass have not

been provided. Although this was previously limited to consideration of the reports during the EC itself, it has recently crept into the question and answer period of the pre-EC destruction informals as well. The Iranian delegation has gone as far as to provide a "friendly" warning to the Del that this will be a problem at the upcoming EC. Del recommends that the U.S. insist upon equal procedural treatment of all 90-day reports, i.e. not giving in to Iranian requests to "receive" the U.S. report and "note" the others.

SHCHUCHYE VISIT REPORT

¶11. (U) Also under the subitem on progress made in meeting revised destruction deadlines, Del expects the report of the EC visit to Shchuchye to be listed. The report was agreed on September 19 by the EC representatives who visited Shchuchye, after only two meetings and minimal discussion, largely thanks to balanced and thoughtful drafting by Senior Chemical Demilitarization Officer Gabriela Coman-Enescu. The report has been provided to QGabriela Coman-Enescu. The report has been provided to Russia; Del understands the Russian delegation will provide comments if necessary before EC-54. However, given the fact that this will result in distribution to States Parties just before the EC, full consideration is likely to be deferred to EC-55. Although it is possible that EC Chair Amb. Oksana Tomova (Slovakia) may schedule an initial meeting for interested delegations to discuss the report during the EC, it seems more likely she may only introduce the report and hold consultations after EC-54.

ARTICLE VII: NATIONAL IMPLEMENTATION

¶12. (U) The 325-page annual report on Article VII implementation was released on September 29, and Article VII facilitator Said Moussi (Algeria) has scheduled a consultation on October 7 to consider the report and continue the previous consultation's discussion on whether to pursue a decision on Article VII at the CSP (ref B). WEOG delegations have expressed the desirability of report language on Article VII to balance any potential action on Articles X and XI, but did not feel a decision was necessary.

ARTICLE X: ASSISTANCE AND PROTECTION

¶13. (SBU) Del expects more clarity on possible Article X developments following the next round of consultations, scheduled for October 7. Consultations on September 18 were informative, but far from conclusive (ref C). The general assessment among delegations seems to be that Iran will not push for a decision on its victims network proposal, but both Iran and new facilitator Victor Smirnovsky (Russia) have recalled CSP-12 report language, which called for "intensive deliberations" and a report (and recommendations as appropriate) to CSP-13. The Czech delegation has confirmed that the non-paper it recently circulated is an attempt to show that some work has been done since CSP-12 and to give delegations something other than the Iranian proposal to work with. The facilitator has told Delrep he will work on report language for the EC, and possibly more extensive language for the CSP that demonstrates the "intensive" work that is occurring, in fulfillment of CSP-12 and Review Conference language. The Iranian delegation may also wait until close to or during CSP-13 to float a last-minute proposal, as they did last year in an attempt to circumvent procedure.

ARTICLE XI: INTERNATIONAL COOPERATION FOR PEACEFUL PURPOSES

¶14. (SBU) The facilitation on Article XI has moved slowly toward agreement on a workshop to develop concrete implementation measures. Del sees this as the most probable outcome for the EC and CSP. Iran's recent statement on a "dual track" (without further details on the second track) could hijack the consensus on a workshop. As with Article X, a report is due to the CSP.

OPTIMIZATION

¶15. (U) On optimization, Del understands that the Secretariat will issue its annual report on the implementation of optimization measures at CW destruction facilities. Policy Review Branch Head Per Runn noted that one of the conclusions delegations should draw from this year's report is the fact that no further reductions in inspector team size can be made without compromising verification.

OCPF DECLARATIONS

¶16. (SBU) During the Industry Cluster meeting on September 29, the DG explained that this item had been put on the agenda to allow delegations to discuss the two June papers on enhancing OCPF declarations (EC-53/DG.11 and EC-53/S/5). Qon enhancing OCPF declarations (EC-53/DG.11 and EC-53/S/5). He admitted that delegations are unlikely to reach a decision on the papers but suggested that the EC would provide an additional forum in which to express views on enhancing declarations.

¶17. (U) In the Bureau, EC Chair Tomova, the DG and Amb. Burkart (Germany) resisted Iranian efforts to remove this item from the agenda. Iran will likely push to remove the agenda item again during the EC Chair's informal consultations on October 6 and possibly at the beginning of the EC when the agenda is adopted.

¶18. (U) Del requests further guidance on the U.S. position on the two OCPF papers in order to fully engage in discussions on both proposals.

BIOMEDICAL SAMPLING

¶19. (U) The TS note on the OPCW's capability to analyze biomedical samples is also on the EC agenda. The paper outlines plans for a "capability building" exercise in which laboratories that have some expertise in this field will be asked to provide samples to laboratories wishing to gain experience. As the OPCW would need to provide some oversight and guidance, there are costs associated with acquiring additional equipment and capabilities. Del expects other delegations may be inclined to defer consideration. As this relates directly to the OPCW's capability to conduct an investigation of alleged use, Iran may take a particular interest in developing capacity in this area.

¶20. (U) Verification Director Horst Reeps discussed biomedical sampling briefly during budget consultations (ref D). He said that faced with either developing its internal capability at great expense or building up a network of qualified laboratories (similar to the designated laboratories), the TS had opted for the latter, more cost-effective option. The draft 2009 budget includes EUR 98,000 for an external expert to advise on building up this network.

¶21. (U) Del requests guidance as to whether Washington agrees with the general concept and projected costs.

OPCW CENTRAL ANALYTICAL DATABASE

¶22. (SBU) Del has also received and forwarded to Washington a draft paper from the TS on the addition of analytical data for non-scheduled chemicals in the OPCW Central Analytical Database (OCAD). The TS hopes to circulate this note prior to EC-54, and OPCW Laboratory Head Gary Mallard has specifically requested U.S. feedback prior to circulation, if possible. From conversations with the UK delegation and Mallard, Del understands London is very concerned that the approach outlined in the note closes the door on future additions to the OCAD and is still considering its position. Based on initial reactions from Washington, Del has informed Mallard that the U.S. has serious reservations about the proposed approach and recommends the TS delay circulation.

DRAFT PROGRAM AND BUDGET

¶23. (U) The budget is the most critical item on the agenda, with three main areas to be addressed after a month of consultations: the increase in OCPF inspections, the Office of Special Projects (OSP) and a number of key performance indicators (KPIs) that are not measurable and do not meet results-based budgeting standards.

¶24. (SUB) This year's draft budget is nearly a carbon copy of last year's budget, and the consultations were free of fireworks until October 1 when several NAM states led by India (South Africa, Iran and Cuba) took aim at the OSP, particularly its counter-terrorism and non-proliferation activities. An additional meeting on this issue has been

scheduled for October 6. Aside from the unknown NAM intentions on OSP, the thorniest issue will be the proposed increase in the number of Other Chemical Production Facility (OCPF) inspections, with China and some Non-Aligned Movement (NAM) countries opposing the increase, while Western Group nations are in favor.

¶25. (U) Iran, as always, and South Africa, to a lesser extent, are the wild cards in negotiations. Iran could, as it has in the past, hold up agreement on the budget to bargain for something else; South Africa already has hinted that it might follow this example. Neither the Iranian nor South African delegations have previewed what they want; Del's best guess for Iran is that it might be their longstanding proposal for an Article X victims' network. NAM countries have been disorganized of late and hiding behind South Africa's active engagement but have scheduled meetings every day in the week before the EC. The NAM could block the budget to eliminate the additional OCPF inspections or to press for another favored item, such as Article XI. Del believes NAM holdouts to be less likely than Iranian mischief, but both are possible, pushing passage of the budget to a special EC before or during the CSP.

OTHER ADMINISTRATIVE AND FINANCIAL MATTERS

¶26. (U) Transfer agreement with the UN Pension Fund: This draft agreement would allow contributors to the UN Pension Fund to transfer their contributions from the OPCW's Provident Fund back into the UN Pension Fund when re-joining the UN System after working at the TS. Originally considered at EC-45 and deferred pending advice from the Advisory Body on Administrative and Financial matters (ABAF), the most-recent ABAF meeting in September concluded that the agreement was ready for EC consideration.

¶27. (U) Del requests guidance on whether it may join consensus in recommending approval of the agreement by the CSP.

OFFICE OF INTERNAL OVERSIGHT AND EXTERNAL AUDITOR

¶28. (U) After drawn-out consultations on the 2007 OIO report following its deferral at EC-53 (ref A), delegations are expected to note the report without any objections.

¶29. (U) After two consultations in September on the External Auditor's Report and the TS's responses to it, delegations are expected to note both reports without any objections.

HOST COUNTRY COMMITTEE

¶30. (SBU) The Host Country Committee will meet on October 8 to discuss further developments in finalizing an agreement to govern access to the OPCW's commissary. The Dutch delegation and the TS have informed the Del that the proposed agreement is pending approval from the Dutch Finance Ministry and that the agreement might be ready to be concluded by EC-54. The U.S. Delegation has held up the report on the Host Country Committee's activities pending the meeting of the Committee. Del recommends that the U.S. not/not request deferral of the late report.
Qnot/not request deferral of the late report.

¶31. (U) Javits sends.
Culbertson